



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
BALLARD COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2001**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
[WWW.KYAUDITOR.NET](http://WWW.KYAUDITOR.NET)**

**144 CAPITOL ANNEX  
FRANKFORT, KY 40601  
TELE. (502) 564-5841  
FAX (502) 564-2912**



## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE BALLARD COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2001**

The Auditor of Public Accounts has completed the Ballard County Fiscal Court audit for fiscal year ended June 30, 2001. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

#### **Financial Condition:**

Cash balances increased by \$353,108 from the beginning of the year, resulting in a cash surplus of \$2,529,171 as of June 30, 2001.

#### **Debt Obligations:**

Total bonded debt principal as of June 30, 2001, was \$4,320,000. Future collections of \$6,045,170 are needed over the next 16 years to pay all bonded debt principal and interest.

Capital lease principal agreements totaled \$479,972 as of June 30, 2001. Future principal and interest payments of \$609,621 are needed to meet these obligations.

#### **Deposits:**

The fiscal court's deposits were insured and collateralized by bank securities or bonds.



<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT .....	1
BALLARD COUNTY OFFICIALS .....	3
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS .....	6
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES .....	10
NOTES TO FINANCIAL STATEMENTS .....	12
SUPPORTING SCHEDULES:	
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE.....	21
SCHEDULE OF OPERATING REVENUE .....	25
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES .....	29
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	33





EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable Bob Buchanan, Ballard County Judge/Executive  
Members of the Ballard County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Ballard County, Kentucky, as of June 30, 2001, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Ballard County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Ballard County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising primarily from cash transactions as of June 30, 2001 of Ballard County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable Bob Buchanan, Ballard County Judge/Executive  
Members of the Ballard County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated May 8, 2002 on our consideration of Ballard County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Ballard County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a horizontal line extending from the end of the signature.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
May 8, 2002



BALLARD COUNTY OFFICIALS

Fiscal Year Ended June 30, 2001

**Fiscal Court Members:**

Bob Buchanan	County Judge/Executive
Charles Allred	Magistrate
Richard Burnley	Magistrate
Fort Ray Duley	Magistrate
William Marshall	Magistrate
Vickie Viniard	Magistrate

**Other Elected Officials:**

Mike Stacy	County Attorney
Bob Taylor	Jailer
Lynn Lane	County Clerk
Faye Oldham	Circuit Court Clerk
Todd Cooper	Sheriff
Delores Hatler	Property Valuation Administrator
Debbie Bridges	Coroner

**Appointed Personnel:**

Belinda Sullivan	County Treasurer
Belinda Sullivan and Jill Dupoyster	Occupational Tax Collectors
Jill Dupoyster	Finance Officer

THIS PAGE LEFT BLANK INTENTIONALLY

STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

BALLARD COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2001

Assets and Other Resources

Assets

General Fund Type

General Fund:

Cash	\$	80,820	
Road and Bridge Fund:			
Cash		467,090	
Jail Fund:			
Cash		14,477	
Occupational Tax Fund:			
Cash		1,458,224	
Payroll Revolving Account - Cash		13,824	
Medical Reimbursement Account - Cash		<u>67,618</u>	\$ 2,102,053

Special Revenue Fund Type

Disaster and Emergency Services Fund:

Cash	\$	1,453	
Ambulance Fund:			
Cash		<u>814</u>	2,267

Debt Service Fund Type

Public Properties Corporation Fund:

Cash			506,293
------	--	--	---------

Other Resources

Debt Service Fund Type

Public Properties Corporation Fund:

Amounts to be Provided in Future Years for Bond Principal Payments (Note 4)		<u>3,813,707</u>	
Total Assets and Other Resources		<u>\$ 6,424,320</u>	

The accompanying notes are an integral part of the financial statements.

BALLARD COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 2001  
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund Types

Occupational Tax Fund - Kentucky Association of Counties Leasing Trust			
Agreement - Principal Payments (Note 5)	\$	479,972	
Payroll Revolving Account		13,824	
Medical Reimbursement Account		<u>67,618</u>	\$ 561,414

Debt Service Fund Types

Public Properties Corporation Fund:			
Bonds Not Matured (Note 4)			4,320,000

Fund Balances

Unreserved:

General Fund Type

General Fund	\$	80,820	
Road and Bridge Fund		467,090	
Jail Fund		14,477	
Occupational Tax Fund		<u>978,252</u>	1,540,639

Special Revenue Fund Type

Disaster and Emergency Services Fund	\$	1,453	
Ambulance Fund		<u>814</u>	<u>2,267</u>

Total Liabilities and Fund Balances			<u>\$ 6,424,320</u>
-------------------------------------	--	--	---------------------

The accompanying notes are an integral part of the financial statements.

THIS PAGE LEFT BLANK INTENTIONALLY

STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

BALLARD COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2001

	General Fund Type				
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund	Occupational Tax Fund
<u>Cash Receipts</u>					
Schedule of Operating Revenue	\$ 3,526,355	\$ 999,093	\$ 685,349	\$ 497,122	\$ 1,125,425
Transfers In	1,643,768	245,000	592,000	234,000	160,000
Kentucky Advance Revenue Program	672,500	451,800	220,700		
Lease-Purchase Proceeds (KACOLT)	500,000		500,000		
Total Cash Receipts	<u>\$ 6,342,623</u>	<u>\$ 1,695,893</u>	<u>\$ 1,998,049</u>	<u>\$ 731,122</u>	<u>\$ 1,285,425</u>
<u>Cash Disbursements</u>					
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,213,582	\$ 846,441	\$ 1,073,837	\$ 756,277	\$ 343,083
Transfers Out	1,643,768	421,000	240,000		982,768
Bonds:					
Principal Paid	180,000				
Interest Paid	259,637				
Lease Principal Repaid (KACOLT)	20,028				20,028
Kentucky Advance Revenue Program Repaid	672,500	451,800	220,700		
Total Cash Disbursements	<u>\$ 5,989,515</u>	<u>\$ 1,719,241</u>	<u>\$ 1,534,537</u>	<u>\$ 756,277</u>	<u>\$ 1,345,879</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 353,108	\$ (23,348)	\$ 463,512	\$ (25,155)	\$ (60,454)
Cash Balance - July 1, 2000	2,176,063	104,168	3,578	39,632	1,518,678
Cash Balance - June 30, 2001	<u>\$ 2,529,171</u>	<u>\$ 80,820</u>	<u>\$ 467,090</u>	<u>\$ 14,477</u>	<u>\$ 1,458,224</u>

The accompanying notes are an integral part of the financial statements.



BALLARD COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 2001  
 (Continued)

<u>Special Revenue Fund Type</u>		<u>Debt Service Fund Type</u>
<u>Disaster and Emergency Services Fund</u>	<u>Ambulance Fund</u>	<u>Public Properties Corporation Fund</u>
\$ 5,566	\$ 49,870	\$ 163,930
16,000	119,000	277,768
<hr/>		<hr/>
\$ 21,566	\$ 168,870	\$ 441,698
<hr/>		<hr/>
\$ 20,172	\$ 173,772	\$
<hr/>		<hr/>
		180,000
		259,637
<hr/>		<hr/>
\$ 20,172	\$ 173,772	\$ 439,637
<hr/>		<hr/>
\$ 1,394	\$ (4,902)	\$ 2,061
59	5,716	504,232
<hr/>		<hr/>
\$ 1,453	\$ 814	\$ 506,293
<hr/>		<hr/>

BALLARD COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 2001

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Ballard County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Ballard County Public Properties Corporation as part of the reporting entity.

Ballard County Public Properties Corporation

The fiscal court appoints a voting majority of the Public Properties Corporation's governing board and has the ability to impose its will on the governing board. In addition, the fiscal court is financially accountable and legally obligated for the debt of the Public Properties Corporation. Financial information for the Public Properties Corporation is blended within Ballard County's financial statements.

Additional - Ballard County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Ballard County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Ballard County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Ballard County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, and the Occupational Tax Fund.

BALLARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Disaster and Emergency Services Fund and the Ambulance Fund of the Fiscal Court are reported as Special Revenue Fund Types.

3) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and include funds for the Public Properties Corporation Fund. Debt service is provided through annual transfers from the General Fund Type in the amount of the debt service requirements for the year.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

D. Legal Compliance - Budget

The Ballard County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for the Public Properties Corporation Fund (Debt Service Fund Type) because bond indentures and other relevant contractual provisions require specific payments to and from this fund annually and transfers are budgeted in the General Fund Type to comply with these requirements. The Department for Local Government does not require this fund to be budgeted.

BALLARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on these criteria, the following are considered to be joint ventures of Ballard County:

- Ballard/Carlisle/Livingston Public Library
- Ballard County Recreational Board (Joint venture with the Ballard County Schools)

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

BALLARD COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2001  
 (Continued)

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2001, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

Note 4. Long-Term Debt

Bonds outstanding totaling \$4,320,000 of the Public Properties Corporation Fund are:

- (A) \$2,730,000 of bonds were issued June 14, 1995, to finance the construction of a new detention facility. Interest rates range from 4.5% - 6.10%. Principal on bonds is due June 1 of each year and interest is due June 1 and December 1 of each year. Bonds maturing on or after June 1, 2006, shall be subject to redemption prior to maturity in inverse order of maturities.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 130,870	\$ 105,000
2003	125,095	110,000
2004	118,935	115,000
2005	112,380	125,000
2006	105,130	130,000
Thereafter	527,050	1,605,000
Totals	<u>\$ 1,119,460</u>	<u>\$ 2,190,000</u>

BALLARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 4. Long-Term Debt (Continued)

Bonds outstanding totaling \$4,320,000 of the Public Properties Corporation Fund are:  
(Continued)

- (B) \$2,420,000 of bonds were issued August 23, 1995, to finance renovation of the Ballard County Courthouse. Interest rates range from 5.6%-5.7%. Principal on bonds is due September 1 of each year and interest is due March 1 and September 1 of each year. Bonds maturing on or after September 1, 2007, shall be subject to redemption prior to maturity in inverse order of maturities.

<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 118,716	\$ 85,000
2003	113,772	90,000
2004	108,546	95,000
2005	103,037	100,000
2006	97,246	105,000
Thereafter	<u>570,686</u>	<u>1,655,000</u>
Totals	<u>\$ 1,112,003</u>	<u>\$ 2,130,000</u>
Total (Both Issues)	<u>\$ 2,231,463</u>	<u>\$ 4,320,000</u>

Note 5. Capital Lease Agreement

On November 1, 2000, the County entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust Program (KACOLT) for the “financing of a road paving project to be located and used in Ballard County, Kentucky.” The principal of the lease is \$500,000 with repayment to be made over a five year period. Principal payments are due monthly on the 20<sup>th</sup> of each month in variable amounts; interest plus associated fees are due monthly in variable amounts.

<u>Fiscal Year Ending June 30, 2001</u>	<u>Interest and Fees</u>	<u>Principal</u>
2002	\$ 24,288	\$ 41,432
2003	22,060	43,335
2004	19,730	45,326
2005	17,293	47,408
2006	14,744	49,586
Thereafter	<u>31,534</u>	<u>252,885</u>
Totals	<u>\$ 129,649</u>	<u>\$ 479,972</u>

BALLARD COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 6. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

Liabilities of the General Fund Type are:

Description	Purchase Date	Maturity Date	Interest Rate	Amount
1999 Chevrolet Chassis With Flat Bed and Hoist	10/21/1999	10/21/03	9.0%	\$ 19,898

Note 7. Insurance

For the fiscal year ended June 30, 2001, Ballard County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 8. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletin 93-002 provides additional accounting and expenditure guidance for acceptable jail canteen operations.

The Ballard County Jail Canteen Fund had a beginning book balance of \$ 32,474. During the fiscal year, it received \$40,764, and expended \$34,190, leaving a book balance of \$39,048 as of June 30, 2001. All profit expenditures were for the benefit and/or recreation of the inmates.

THIS PAGE LEFT BLANK INTENTIONALLY



COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



BALLARD COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2001

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 1,591,690	\$ 999,093	\$ (592,597)
Road and Bridge Fund	1,403,692	685,349	(718,343)
Jail Fund	705,331	497,122	(208,209)
Occupational Tax Fund	909,303	1,125,425	216,122
<u>Special Revenue Fund Type</u>			
Disaster and Emergency Services Fund	17,827	5,566	(12,261)
Ambulance Fund	156,407	49,870	(106,537)
Totals	<u>\$ 4,784,250</u>	<u>\$ 3,362,425</u>	<u>\$ (1,421,825)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 4,784,250
Add: Budgeted Prior Year Surplus			959,394
Less: Other Financing Uses			<u>(832,796)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 4,910,848</u>

THIS PAGE LEFT BLANK INTENTIONALLY

SCHEDULE OF OPERATING REVENUE



BALLARD COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2001

Revenue Categories	GOVERNMENTAL FUND TYPES			
	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type	Debt Service Fund Type
Taxes	\$ 1,650,142	\$ 1,650,142	\$	\$
In Lieu Tax Payments	4,841	4,841		
Excess Fees	27,250	27,250		
Licenses and Permits	711	711		
Intergovernmental Revenues	1,367,851	1,227,568	5,383	134,900
Charges for Services	99,874	52,436	47,438	
Miscellaneous Revenues	208,172	205,557	2,615	
Interest Earned	167,514	138,484		29,030
Total Operating Revenue	<u>\$ 3,526,355</u>	<u>\$ 3,306,989</u>	<u>\$ 55,436</u>	<u>\$ 163,930</u>

THIS PAGE LEFT BLANK INTENTIONALLY



COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES



BALLARD COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2001

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 1,038,623	\$ 650,448	\$ 388,175
Protection to Persons and Property	692,029	691,075	954
General Health and Sanitation	10,250	10,250	
Social Services	988	988	
Recreation and Culture	16,600	16,600	
Roads	1,156,869	988,557	168,312
Debt Service	323,104	26,547	296,557
Capital Projects	796,420	205,130	591,290
Administration	644,618	430,043	214,575
Total Operating Budget - All General Fund Types	\$ 4,679,501	\$ 3,019,638	\$ 1,659,863
Other Financing Uses:			
Borrowed Money-			
Kentucky Advanced Revenue			
Program - Principal	535,000	672,500	(137,500)
Transfers to Public Property			
Corporation Fund	277,768	277,768	
Capital Lease Agreement-			
Principal on Lease	20,028	20,028	
TOTAL BUDGET - ALL GENERAL FUND TYPES	<u>\$ 5,512,297</u>	<u>\$ 3,989,934</u>	<u>\$ 1,522,363</u>
Expenditure Categories	SPECIAL REVENUE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
Protection to Persons and Property	\$ 202,315	\$ 174,870	\$ 27,445
General Health and Sanitation	5,458	1,806	3,652
Administration	23,574	17,268	6,306
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	<u>\$ 231,347</u>	<u>\$ 193,944</u>	<u>\$ 37,403</u>

THIS PAGE LEFT BLANK INTENTIONALLY

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





**EDWARD B. HATCHETT, JR.**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Bob Buchanan, Ballard County Judge/Executive

Members of the Ballard County Fiscal Court

**Report On Compliance And On Internal Control**  
**Over Financial Reporting Based On An Audit Of Financial**  
**Statements Performed In Accordance With Government Auditing Standards**

We have audited the financial statements of Ballard County, Kentucky, as of and for the year ended June 30, 2001, and have issued our report thereon dated May 8, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ballard County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ballard County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
May 8, 2002



